

TDS TELECOM®

P.O. Box 22995
Knoxville, TN 37933-0995

Telephone: 865-966-4700
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725 Pellissippi Parkway, Ste. 230
Knoxville, TN 37932

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Government and Regulatory Affairs

TN REGULATORY AUTHORITY
DOCKET ROOM

September 5, 2002

DOCKET NO.

02-00971

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Attention: Ms. Sharla Dillion

Dear Ms. Dillion;

With reference to our telephone conversation of September 3, 2002, I am enclosing the filing fee of \$25.00/each and the additional eight copies each of the following Agreements:

- Wireless Interconnection Agreement between TDS TELECOM and Cellco Partnership, d/b/a Verizon Wireless dated June 2, 2002.
- Mutual Traffic Exchange Agreement between TDS Telecom and ICG Telecom Group dated July 1, 2002
- Retail Reseller Agreement – Tennessee between telephone company subsidiaries of TDS Telecommunications Corporation and National Telecom, LLC dated May, 2002.

Again, thank you for your help in getting these Agreements filed.

If you have any questions please call me at (865) 671-4747.

Sincerely,

Joyce Marlowe

Joyce Marlowe
Administrative Assistant

Enclosures

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DOCKET NO.
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RECEIVED

AUG 27 2002

SARA KYLE, COMMISSIONER
TN PUBLIC SERVICE COMM.

August 20, 2002

The Honorable Sara Kyle
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Mutual Traffic Exchange Agreement between TDS Telecom and
ICG Telecom Group

Dear Ms. Chairman:

Enclosed please find the original and five (5) copies of the Mutual Traffic Exchange Agreement between the TDS Telecom (Tennessee Telephone Company) and ICG Telecom Group, Inc. .

Please contact me with any questions at 865-671-4753.

Sincerely,



Bruce H. Mottern
Director - Revenue & Earnings

Enclosures

cc: Mrs. Linda Lowrance, TDS Telecom w/enclosures
Ms. Cheryl Hills, ICG Business & Government Affairs
Mr. Dale Grimes, Bass, Berry & Sims w/enclosures

MUTUAL TRAFFIC EXCHANGE AGREEMENT TENNESSEE

This Mutual Traffic Exchange Agreement ("Agreement") is made effective July 1, 2002 by and between TDS Telecommunications Corporation, not individually but as agent for Tennessee Telephone Company ("TDS TELECOM"), and ICG Telecom Group, Inc., a Delaware corporation with its principal place of business at 161 Inverness Drive West, Englewood, Colorado 80112 ("ICG").

In consideration of the mutual obligations set forth below, the Parties agree to the following terms and conditions:

Section I

Scope of Agreement

ICG and TDS TELECOM (individually, a "Party" and collectively, the "Parties") agree to exchange all Local traffic, Extended Area Service traffic ("EAS"), Optional Call Plan ("OCP") traffic, interLATA and intraLATA toll traffic (where applicable) with one another either by direct interconnection of their respective networks or by transiting such traffic through third party LEC tandems. "Local Traffic" means traffic that is originated by a customer of one Party on that Party's network and terminates to a customer of the other Party on that other Party's network within a given local calling area or expanded service ("EAS") area, as defined in TDS TELECOM's effective local exchange tariffs. Local traffic must actually originate and actually terminate to customers physically located within the rate center area of the defined local calling or EAS area. Reciprocal compensation for the transport and termination of Local Traffic shall be on a bill and keep basis according to Section III below.

Local Traffic does not include Optional Calling Plans ("OCP") (i.e. optional rate packages that permit the end user to choose a local calling scope beyond their basic local calling area for an additional fee). OCP traffic, interLATA and intraLATA toll traffic that is currently defined by TDS TELECOM as switched access in TDS TELECOM's tariffs shall be billed according to Section IV below to the extent it is not inconsistent with applicable access tariffs and applicable law.

Local Traffic does not include Internet Service Provider ("ISP") traffic originated by an end user of one Party and routed to an ISP point of presence. For purposes of this Agreement, no reciprocal compensation shall apply to Internet traffic. However, if the traffic is to be terminated to an ISP that does not have a physical presence within the local calling area or EAS area, then the traffic bound for that ISP will be treated as interLATA or intraLATA toll traffic, depending upon the location of the ISP, and access charges under Section IV, below, shall apply to such traffic.

Section II

Connection Arrangements

Each Party shall be responsible for the cost of providing trunks from its network to the mutually agreed upon point of interconnection for calls which that Party originates and for ensuring that it has facilities in place to each third party LEC tandem used to transit traffic between the Parties' networks. The originating Party shall be responsible for payment of any transit charges (including tandem switching) assessed by the third party LEC for use of the third party LEC's tandem. If traffic volumes grow to a point where it is economically advantageous to provide a direct connection between TDS TELECOM and ICG, either Party may request negotiation of separate terms and conditions, including meet point billing arrangements. The Parties agree to negotiate in good faith to reach agreement to accommodate such a request. It is agreed that Local Traffic, OCP traffic, interLATA and intraLATA toll traffic will be delivered from one party to the other party only through third party access tandem arrangements or through direct trunking between the Parties.

Section III

Compensation for Local Traffic

ICG and TDS TELECOM agree to terminate each other's Local Traffic on a bill and keep basis of reciprocal compensation. Bill and keep shall mean that the originating Party has no obligation to pay terminating charges to the terminating Party, regardless of any charges the originating Party may assess its end users.

Section IV

Compensation for Toll Traffic

Each Party will generate a monthly bill for switched access for interLATA and intraLATA toll traffic and OCP traffic, as applicable, to the other Party for traffic terminating to its end offices. Compensation for termination of interLATA and intraLATA toll traffic and OCP traffic shall be calculated by applying the access rates set forth in each Party's respective filed applicable tariff. As rates change, the latest effective rates will be used. For any traffic originating with a third party carrier and delivered by ICG to TDS TELECOM, ICG shall pay TDS TELECOM the same amount that such third party carrier would have been obligated to TDS TELECOM for termination of that traffic at the location the traffic is delivered to TDS TELECOM by ICG.

Section V

Tandem Transit Service

"Tandem Transit Service" is defined as the delivery of local traffic and intraLATA traffic where neither the originating nor terminating customer is a customer of TDS TELECOM. IntraLATA traffic originating with a third party carrier and delivered by TDS TELECOM to ICG shall be billed as Tandem Transit Service under Schedule I. ICG shall pay TDS TELECOM for Tandem Transit Service that ICG originates, at the rate set forth in Schedule I, plus any additional charges or costs the terminating CLEC, ITC, CMRS carrier or other LEC, imposes or levies on TDS TELECOM for the delivery or termination of such traffic, including any Switched Access Service charges.

Section VI

Billing

To calculate intrastate access charges, each Party shall provide to the other, within twenty (20) calendar days after the end of each quarter (commencing with the first full quarter after the effective date of this Agreement), a PLU (Percent Local Usage) factor. Each company should calculate the PLU factor on a LATA basis using their originating intraLATA minutes of use. The percentage of originating Local traffic to total intrastate (local, EAS, OCP and toll) originating traffic would represent the PLU factor.

Each Party shall keep adequate records of usage. Either Party may request an audit of usage data on no less than thirty (30) business days' written notice. Any such audit shall be accomplished during normal business hours at the office of the Party being audited. Process audits must be performed by an independent auditor paid for by the Party requesting the audit; however, verifications of billing records may be conducted by the auditing Party's internal auditors. Audits shall be requested within twelve (12) months of having received the PLU factor and usage reports from the other Party, and shall be conducted no more frequently than semi-annually.

The Parties shall be governed by applicable state and federal rules, practices, and procedures regarding the provision and recording of billing records. Neither Party shall bill for records older than ninety (90) days from the end of each billing quarter.

Section VII

Office Code Translations

It shall be the responsibility of each Party to program and update its own switches and network systems in accordance with the Local Exchange Routing Guide ("LERG") in order to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities, except as expressly set forth in this Agreement.

Unless mandated otherwise by a Commission Order, the Rate Center Areas will be the same for each Party. During the term of this Agreement, in all areas where ICG's service area overlaps the service area of an incumbent LEC, ICG shall adopt the Rate Center Areas and Rate Center Points that the Commission has approved for the incumbent LEC. ICG shall assign whole NPA-NXX codes to each Rate Center in compliance with the industry-approved Central Office Code (NXX) Assignment Guidelines (most current version) unless the LEC industry adopts alternative methods of utilizing NXXs, such as thousand-block number pooling, in a manner adopted by the NANPA. ICG shall terminate all calls to individual codes to customers physically located within the codes' respectively assigned rate centers. ICG shall not assign a number out of an NXX code to a person or entity that does not have a physical presence in the assigned rate center for that code.

Section VIII SS7 Signaling

ICG and TDS TELECOM agree to interconnect their SS7 (Signaling System 7) networks either directly or through third parties. ICG and TDS TELECOM further agree to exchange ISUP (Integrated Services Digital Network User Part) and TCAP (Transaction Capabilities Application Part) messages. The Parties agree to set message screening parameters so as to accept messages from any switching systems destined to any signaling point in the SS7 network with which the Parties have a legitimate signaling relation. The Parties further agree to exchange and load point code information in a reasonable and timely manner in accordance with standard industry practices. Neither Party shall bill the other Party for exchange of TCAP messages when TCAP is used to support CLASS end user service features (switch to switch TCAP). This provision shall not be construed to require TDS TELECOM to convert its networks to SS7.

Section IX Operator Services

Each Party shall maintain and keep current its own customer information (i.e., directory assistance listing information, including name, address, phone number, nonlisted and nonpublished indicators, caption information, and other information TDS TELECOM provides to third party LECs) in currently available databases used in the provision of intercompany operator services (e.g., local assistance, directory assistance, directory assistance call completion, busy line verification/interrupt), and shall ensure that the other Party can obtain access to such information.

Section X Term of Agreement

This Agreement shall commence when fully executed and have an initial term of one (1) year provided that either Party shall have the right to terminate this agreement with or without cause on sixty (60) days notice. This Agreement shall automatically renew for successive one-year periods unless terminated as provided above.

Section XI Dispute Resolution

Except as otherwise provided in this Agreement, any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall be addressed by good faith negotiation between the Parties. To initiate such negotiation, a Party must provide to the other Party written notice of the dispute that includes both a detailed description of the dispute or alleged nonperformance and the name of an individual who will serve as the initiating Party's representative in the negotiation. The other Party shall have ten (10) business days to designate its own representative in the negotiation. The Parties' representatives shall meet at least once within forty-five (45) days after the date of the initiating Party's written notice in an attempt to reach a good faith resolution of the dispute. Upon agreement, the Parties' representative may utilize other alternative dispute resolution procedures such as private mediation to assist in the negotiations.

If the Parties have been unable to resolve the dispute within sixty (60) days of the date of the initiating Party's written notice, either Party may pursue any remedies available to it under this Agreement, at law, in equity, or otherwise, including but not limited to, instituting an appropriate proceeding before the Commission.

Section XII

Limitation of Liability

Neither Party shall be liable to the other for any lost profits or revenues or for any indirect, incidental, special or consequential damages arising out of or related to this Agreement or the provision of service hereunder. A Party's liability shall not be limited with respect to its indemnification obligations under this Agreement.

Section XIII

Indemnification

Each Party (the "Indemnifying Party") shall indemnify and hold harmless the other Party ("Indemnified Party") from and against any loss, cost, claim, liability, damage expense (including reasonable attorney's fees) to third parties, relating to or arising out of the libel, slander, invasion of privacy, misappropriation of a name or likeness, negligence or willful misconduct by the Indemnifying Party, its employees, agents, or contractors in the performance of this Agreement or the failure of the Indemnifying Party to perform its obligations under this Agreement. In the event said loss, cost, claim, liability, damage or expense to third parties is the result of the fault, in whole or in part, of both Parties to this Agreement, the Parties shall be entitled to indemnification or contribution to the extent permitted by applicable state law governing the apportionment, if any, of said loss, cost, claim, liability, damage or expense. In addition, the Indemnifying Party shall, to the extent of its obligations to indemnify hereunder, defend any action or suit brought by a Third Party against the Indemnified Party.

The Indemnified Party shall (i) notify the Indemnifying Party promptly in writing of any written claims, lawsuits, or demand by third parties for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section and (ii) tender the defense of such claim, lawsuit or demand to the Indemnifying Party. The Indemnified Party also shall cooperate in every reasonable manner with the defense or settlement of such claim, demand, or lawsuit. The Indemnifying Party shall keep the Indemnified Party reasonably and timely apprised of the status of the claim, demand or lawsuit. The Indemnified Party shall have the right to retain its own counsel, at its expense, and participate in but not direct the defense.

The Indemnifying Party shall not be liable under this Section for settlements or compromises by the Indemnified Party of any claim, demand, or lawsuit unless the Indemnifying Party has approved the settlement or compromise in advance or unless the defense of the claim, demand, or lawsuit has been tendered to the Indemnifying Party in writing and the Indemnifying Party has failed to promptly undertake the defense.

Section XIV

Force Majeure

Neither Party shall be held liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, or unusually severe weather. In the event of any such excused delay in the performance of a Party's obligation(s) under this Agreement, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of the delay. In the event of such delay, the delaying Party shall perform its obligations at a performance level no less than that which it uses for its own operations.

Section XV

Agency

Nothing contained herein shall constitute the Parties as joint venturers, partners, employees or agents of one another, and neither Party shall have the right or power to bind or obligate the other.

Section XVI

Nondisclosure of Proprietary Information

The Parties agree that it may be necessary to exchange certain confidential information during the term of this Agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, orders for services, usage information in any form, customer account data and Customer Proprietary Network Information ("CPNI") as that term is defined by the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission and similar information ("Confidential Information"). Confidential Information shall include (i) all information delivered in written form and marked "confidential" or "proprietary" or bearing mark of similar import; and (ii) information derived by the Recipient from a Disclosing Party's usage of the Recipient's network. The Confidential Information is deemed proprietary to the Disclosing Party and it shall be protected by the Recipient as the Recipient would protect its own proprietary information. Confidential Information shall not be disclosed or used for any purpose other than to provide service as specified in this Agreement. For purposes of this Section 14, the Disclosing Party shall mean the owner of the Confidential Information, and the Recipient shall mean the Party to whom Confidential Information is disclosed.

Recipient shall have no obligation to safeguard Confidential Information (i) which was in the Recipient's possession free of restriction prior to its receipt from Disclosing Party, (ii) after it becomes publicly known or available through no breach of this Agreement by Recipient, (iii) after it is rightfully acquired by Recipient free of restrictions on the Disclosing Party, or (iv) after it is independently developed by personnel of Recipient to whom the Disclosing Party's Confidential information had not been previously disclosed. Recipient may disclose Confidential Information if required by law, a court, or governmental agency. Each Party agrees that Disclosing Party would be irreparably injured by a breach of this Agreement by Recipient or its representatives and that Disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of this paragraph. Such remedies shall not be exclusive, but shall be in addition to all other remedies available at law or in equity.

Section XVII

Notices

Bills and payments shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of ICG to:

Business Name: ICG Telecom Group, Inc.
Mailing Address: 161 Inverness Drive West
City/State/Zip Code: Englewood, Colorado 80112
Attention: Accounts Payable
Contact number: (303) 414-5159
Facsimile: (303) 414-8885

Notices shall be effective three (3) business days of being sent via registered mail with return receipt requested, in the case of ICG to:

Business Name: ICG Telecom Group, Inc.
Mailing Address: 161 Inverness Drive West
City/State/Zip Code: Englewood, Colorado 80112
Attention: LaCharles Keesee
Contact number: (303) 414-5896
Facsimile: (303) 414-8839

Notices shall be effective three (3) business days of being sent via registered mail with return receipt requested in the case of TDS TELECOM to:

Business Name: TDS TELECOM
Mailing Address: P. O. Box 22995
Shipping Address: 725 Pellissippi Pkwy., Suite 230
City/State/Zip Code: Knoxville, TN 37933-0995 (37932 for shipping)
Attention: Carrier Relations
Contact Phone Number: (865) 966-4700

Bills and payments shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of TDS TELECOM to:

Business Name: TDS TELECOM
Mailing Address: P.O. Box 22995
Shipping Address: 9737 Cogdill Road, Suite 230
City/State/Zip Code: Knoxville, TN 37933 (37932 for shipping)
Attention: Accounting Center

or to such other location as the receiving Party may direct in writing.

Section XVIII

Severability

If any part of this Agreement is held to be invalid for any reason, such invalidity shall affect only the portion of the Agreement that is invalid. In all other respects this Agreement shall stand as if such invalid provision had not been a part thereof, and the remainder of the Agreement shall remain in full force and effect.

Section XIX

Assignment

This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and permitted assigns. Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that upon written notice either Party may assign this Agreement or any rights and obligations thereunder without the other Party's consent to any entity that the assigning Party controls, is controlled by, or is under common control with, or to any entity which acquires or succeeds to all or substantially all of the business or assets of the assigning Party whether by consolidation, merger, sale or otherwise, or in connection with a financing transaction.

Section XX

Entire Agreement

This Agreement, including all Attachments and subordinate documents attached hereto or referenced herein, all of which are hereby incorporated by reference herein, constitute the entire matter thereof, and supersede all prior oral or written agreements, representations, statements, negotiations, understandings, proposals, and undertakings with respect to the subject matter thereof. No modification or waiver of any provisions of this Agreement shall be effective unless in writing and signed by both Parties.

Section XXI

Multiple Counterparts

This Agreement may be executed in counterparts and such counterparts shall together constitute one and the same instrument.

Section XXII

Certification

Notwithstanding any other provision of this Agreement, TDS TELECOM shall have no obligation to perform under this Agreement until such time as ICG has obtained public service commission authorization as is required by law as a condition for conducting business in the state.

Section XXIII

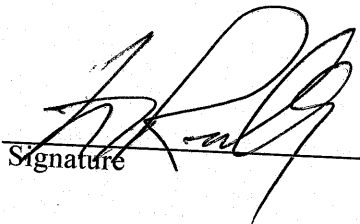
Miscellaneous

By entering into this Agreement, TDS TELECOM does not concede that this is, and is not estopped from asserting that it is not, an interconnection agreement under 47 USC 251(c), nor does TDS TELECOM waive, or is it estopped from asserting, any rural exemption that it may have under 47 USC 251(f). This Agreement is for the exchange of traffic, not the direct interconnection of TDS TELECOM and ICG as competing service providers.

**Section XXIV
Governing Law**

To the extent not governed by, and construed in accordance with, the laws and regulations of the United States, this Agreement shall be governed by, and construed in accordance with, the laws and regulations of the state of Tennessee, without regard to its conflicts of laws principles.

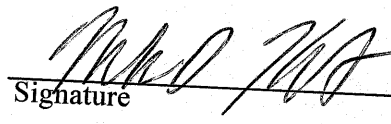
Tennessee Telephone Company
By: TDS Telecommunications Corporation,
agent


Signature 8/5/02
Date

Louis D. Reilly, III
Typed Name

Director-Carrier Relations
Typed Title

ICG Telecom Group, Inc.


Signature 7/24/02
Date

Michael Kallet
Typed Name

EVP- Operations
Typed Title

Signature Page to Mutual Traffic Exchange Agreement between Tennessee Telephone Company and ICG Telecom Group, Inc. dated July 1, 2002.

Schedule I

Tandem Transit Service

Tandem Transit Service

\$.005601 per minute of use